## Beaverton City Council chooses developers for Westgate site

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Council votes 4-1 to negotiate deal that includes housing, hotel and arts and culture center.



SUBMITTED PHOTO - City leaders will begin negotiating with partners Rembold Properties and Gerding Edlen to redevelop the former Westgate Theater site, the triangular property in this photograph, as well as two other lots not shown. If it gets built as currently proposed, the development would include multi-story housing, restaurants and shops, a hotel, a parking garage and the city's long-awaited performing arts

Two prominent developers will have a shot at remaking Beaverton's downtown core with a performing arts center, hotel, restaurants, shopping and lots of places for people to live and visitors to park.

The Beaverton City Council agreed on Tuesday, June 9, to negotiate exclusively for the next six months with Rembold Properties and Gerding Edlen, which teamed up on a proposal to redevelop a large swath of the Beaverton Central Creekside District, including the long-sought Beaverton Arts and Culture Center.

The proposal includes the nearly 4-acre former Westgate Theater site and two other key lots, all of which would be neighbors with The Beaverton Building, the Beaverton Central MAX Station and The Round.

"It's fantastic to see all the things that are being done in the this city," said Council President Mark Fagin, "but this is a big one."

With months of negotiation and analysis ahead, details of the companies' preliminary proposal could change.

Cadence Moylan, manager of the Beaverton Development Division, likened this phase of negotiations to a relationship that might result in marriage. It will take trust, commitment, hard work "and in our case, a really strong pre-nup agreement," she told the council.

Noting the developers in the audience, Moylan said, "We think there's a great team before you."

Rembold Properties hopes to develop and own a pair of five-story residential buildings on the Westgate site. The buildings would be located between Southwest Cedar Hills Boulevard and Rose Biggi Avenue just south of BG Plaza. Together, the buildings would house 212 residences as well as ground-floor retail and parking.

Developing more housing to help make the central portion of the city more vibrant has long been a priority.

"You want more people here and it's really easy to get them here if they live here," Moylan said.

Also for the Westgate site, the developers have spoken to hospitality companies about locating a five-story hotel with 130 to 140 rooms. That hotel, planned along the light rail line at Rose Biggi Avenue, would include conference space and, potentially, a "signature restaurant," according to the proposal.

Hotel developers have been active elsewhere in Washington County in recent years and regularly ask about opportunities in Beaverton, but none have located near the city's center in many years, Moylan said.

"There is a clear deficit of hotels in Beaverton," she said.

If the hotel project doesn't pan out, the developers said Rembold would look at additional housing options for that third piece of the Westgate property.

The city paid \$4.9 million for the Westgate Property a decade ago and soon brought in Metro with an eye toward finding additional private partners to redevelop it. Their first effort to promote the site's development failed, in part because the city's requirements were too rigid and because it ran headlong into the Great Recession, Moylan said.

More recently, the city's <u>Creekside District Master Plan</u> identified the Westgate property as a "catalytic site," one that has the potential to spur further investment in an area where modern mid-rise buildings rub shoulders with shabby reminders of an earlier era.

Just across Rose Biggi Avenue from the Westgate site is where the developers plan to build both a 40,000-square-foot Beaverton Arts and Culture Center and a five-story parking garage along Southwest Crescent Street. Gerding Edlen would take the lead on development of these properties, both currently parking lots.

The arts center would be built within view of Southwest Hall Boulevard, next to a pond in Beaverton Creek where restoration efforts and a trail are in the works.

City officials, consultants and citizen boards are planning and fundraising for the center, which would include an approximately 400-seat main theater, a smaller performance venue, plus space for visual art exhibits and a variety of cultural events.



SUBMITTED PHOTO - This is a concept illustration only to illustrate what the future Beaverton Arts and Culture Center might look like if built as part of a larger development proposal in the city's Creekside District, designed to serve as Beaverton's downtown.

The parking structure would have 290 parking stalls and some retail space. Along with an existing parking garage on the other side of the light rail station, the new garage would provide spaces for current residents of the Round Condominiums and for visitors to the arts center, hotel and retail businesses. City leaders expect to pay for at least part of the garage.

Both developers are well-known around Beaverton.

Rembold, a family-run company with local roots, is currently working with the city to develop an 87-unit, multi-story residential building with some retail space just off Southwest Farmington Boulevard in the city's Old Town neighborhood. It has developed a wide variety of multi-family housing projects elsewhere.

Gerding Edlen is a large Portland-based developer with a national footprint, including dozens of major projects in the metropolitan area. Locally, the company renovated three floors of The Beaverton Building to convert it to Beaverton City Hall and also built Portland Community College's Willow Creek Center near Northwest 185th Avenue.

Moylan said city staff would come back to the council near the end of a preliminary six-month negotiation period with a status update and will likely request an additional six to 12 months to refine a proposal. She hopes to be at a ground-breaking in about two years.

The Rembold-Gerding Edlen concept was one of three proposals a city committee weighed after inviting developers to respond to a Request for Qualifications issued in March.

The council voted 4-1 to move forward, with Betty Bode the lone dissenting vote.

Bode had wanted the council to be more involved in the selection process and was particularly miffed that the

information that council members received was redacted, with specific financial content excised.

"I find it the most insulting moment of my time with the city," the most senior council member said.

The other submissions came from Confluence Real Estate Services, led by Vanessa Sturgeon — granddaughter of prominent Portland developer and theater mogul Tom P. Moyer and president and CEO of Moyer's TMT Development — and from Hines, a Houston-based firm with a giant, international development portfolio. Both groups also proposed mixes of mid-rise housing with ground-floor retail and addressed the need for parking and the potential for the arts and culture center. Neither proposed a hotel.

Moylan praised all three proposals and hoped the two firms not selected will contribute to the city's redevelopment goals in other locations.

"We are just dying to get the opportunity to show them where they can do business," she said.

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